

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5609-03
Bill No.: Perfected HB 1668
Subject: Motor Vehicles; Licenses - Motor Vehicle; Revenue Department
Type: Original
Date: March 19, 2012

Bill Summary: This proposal establishes a special license plate for the Springfield Olympic Community Development Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Highway Fund	Less than \$100,000	Less than \$100,000	Less than \$100,000
Total Estimated Net Effect on Other State Funds	Less than \$100,000	Less than \$100,000	Less than \$100,000

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	Less than \$100,000	Less than \$100,000	Less than \$100,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization.

Officials from the **Department of Transportation** concur with Department of Revenue regarding any fiscal impact on their organization.

Officials from the **Department of Revenue (DOR) - Motor Vehicle Bureau (MVB)** estimate procedures will need to be revised by a Management Analyst Specialist I requiring 40 hours of overtime at a cost of \$1,182. The Application for Military Personalized License Plates (DOR-4601) will need to be revised to include a new plate type. This will require 40 hours of overtime for a Management Analyst Specialist I, at a cost of \$1,182. The Department's web site will need to be updated to include the new plate type. This will require 10 hours of overtime for an Administrative Analyst III, at a cost of \$319. The Department would incur 20 overtime hours for a Revenue Processing Tech II to work with the organization on the design of the plate and finalizing the design of the plate at a cost of \$411. The Department would incur 20 overtime hours for a Revenue Processing Tech II to set up the new specialty plate within MVB systems and testing at a cost of \$411. Total cost to the DOR- MVB is \$3,505 in FY 2013.

The printing of flat plates has changed from Irwin Hodson to Missouri Vocational Enterprises (MVE); as a result the cost for the set-up of a new specialty plate has changed from previous years. The Department is charged \$215 for the initial set-up of a new specialty plate for passenger, truck, RV, disabled, and motorcycle plates. This is a one-time fee that will be charged upon passage of this proposal.

The Department pays \$3.50 per plate (\$7 per set of plates) for manufacturing flat plates through MVE. The number of applicants who will obtain this plate is unknown. Therefore the Department is assuming 200 applicants in FY13 at a cost of \$1,167 (10 Months), \$1,435 in FY14, and \$1,471 in FY15.

It currently costs the Department, on average, \$5.55 to ship a box of 10 sets of plates to contract offices once they have completed the manufacturing process through MVE. Assuming 200 applications received it would cost the Department \$93 in FY13 (10 Months), \$114 in FY14, and \$117 in FY15 to ship 200 sets of plates to contract offices in various regions across the state.

ASSUMPTION (continued)

Note: The \$5.55 is an average cost to ship a box of 10 sets of plates to contract offices. The cost may decrease or increase based on the weight of the box, the area to which the box is being sent, and how many boxes are being sent at one time.

The Department would incur an additional postage cost for mailing notifications to those applicants notifying them that their plates are ready for pickup at the respective license office. Assuming 200 are mailed it would cost the Department \$86 in FY13 (10 Months), \$107 in FY14, and \$109 in FY15 for envelopes (\$0.04), letters (\$0.025), and postage (\$0.45).

In summary, DOR assumes a cost of \$5,066 in FY 2013 ($\$3,505 + \$215 + \$1,167 + \$93 + \86), \$1,656 in FY 2014 ($\$1,435 + \$114 + \107) and \$1,697 in FY 2015 ($\$1,471 + \$117 + \109) for full time employees, plate set-up, manufacturing and mailings.

The number of applicants who will wish to obtain this plate is unknown. However, for each 200 United States Olympic Committee specialty personalized plate applications received, there will be an increase in revenue each year of \$3,000 as a result of the \$15 specialty plate fee that is constitutionally distributed as follows:

75% -Highway Fund	\$2,250
15% - Cities	\$450
10% - Counties	\$300

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the personal service costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process. Since it is unknown how many plate applications will be received for this plate, for fiscal note purposes only, Oversight will estimate revenue as: Less than \$100,000. Oversight will also estimate cost to General Revenue from manufacturing process as: (Less than \$100,000).

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - Department of Revenue - Processing costs for specialty plates	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
HIGHWAY FUND			
<u>Income</u> - Specialty plate fees	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON HIGHWAY FUND	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2013 (10 Mo.)	 FY 2014	 FY 2015
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Cities and Counties - Specialty plate fees	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>	Less than <u>\$100,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal allows a person to obtain a United States Olympic Committee special license plate for any vehicle except an apportioned motor vehicle or a commercial motor vehicle licensed in excess of 18,000 pounds gross weight.

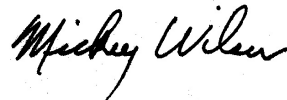
To obtain the plate, a person must pay a \$25 emblem-use contribution to the committee, submit an application to the Director of the Department of Revenue accompanied by an emblem-use authorization statement, and pay an additional \$15 fee. The \$25 emblem-use contribution must be split equally between the Springfield Olympic Community Development Program and the United States Olympic Committee. Any person who was previously issued a committee plate and who does not provide an emblem-use authorization statement at a subsequent time of registration will be issued a new plate which does not bear the committee's emblem.

Prior to the issuance of the specialty plate, a list of at least 200 potential applicants for the plate, the proposed design of the plate, and an application fee not to exceed \$5,000 must be submitted to the department.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections
Department of Revenue
Department of Transportation



Mickey Wilson, CPA
Director
March 19, 2012